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ANNUAL REPORT TO STOCKHOLDERS



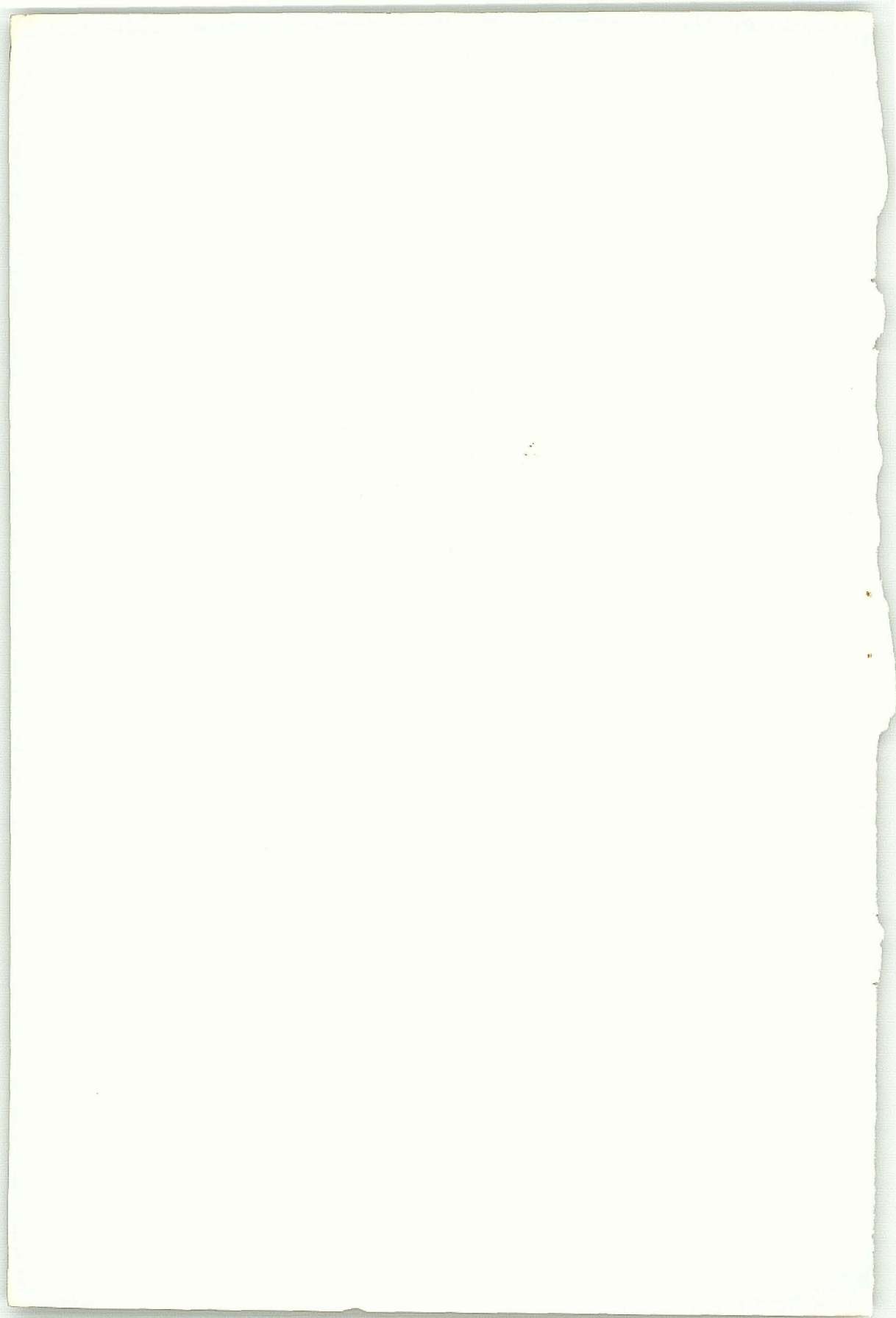
1955

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

BOARDS

884.18

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ANNUAL REPORT
THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES



FOR THE YEAR
1 9 5 5

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

H. B. NICHOLSON, *Chairman*

| | | |
|-------------------|---------------------|--------------------|
| A. A. ACKLIN | LINDSEY HOPKINS | HUGHES SPALDING |
| CHAS. H. CANDLER | J. P. ILLGES | E. W. STETSON |
| R. R. DEUPREE | HARRISON JONES | D. A. TURNER |
| A. B. FREEMAN | WINSHIP NUNNALLY | GEORGE W. WOODRUFF |
| BERNARD F. GIMBEL | WILLIAM E. ROBINSON | R. W. WOODRUFF |

OFFICERS

| | |
|-------------------------------|-----------------------|
| WILLIAM E. ROBINSON | <i>President</i> |
| CHARLES W. ADAMS | <i>Vice President</i> |
| FELIX W. COSTE | <i>Vice President</i> |
| EDGAR J. FORIO | <i>Vice President</i> |
| CURTIS H. GAGER | <i>Vice President</i> |
| C. W. HODGSON | <i>Vice President</i> |
| HOLLAND B. JUDKINS | <i>Vice President</i> |
| O. E. MAY | <i>Vice President</i> |
| B. H. OEHLERT, JR. | <i>Vice President</i> |
| HAROLD S. SHARP | <i>Vice President</i> |
| E. D. SLEDGE | <i>Vice President</i> |
| JOHN C. STATON | <i>Vice President</i> |
| JOHN D. GOODLOE | <i>Secretary</i> |
| EDMUND W. PUGH, JR. | <i>Treasurer</i> |

TRANSFER AGENTS

| |
|---|
| WILMINGTON TRUST COMPANY <i>Wilmington, Delaware</i> |
| GUARANTY TRUST COMPANY OF NEW YORK <i>New York, New York</i> |
| TRUST COMPANY OF GEORGIA <i>Atlanta, Georgia</i> |

REGISTRARS

| |
|---|
| EQUITABLE SECURITY TRUST COMPANY <i>Wilmington, Delaware</i> |
| THE CHASE MANHATTAN BANK <i>New York, New York</i> |
| THE FIRST NATIONAL BANK OF ATLANTA <i>Atlanta, Georgia</i> |

THE COCA-COLA COMPANY

NEW YORK, NEW YORK

March 5, 1956

TO STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Net Profit for 1955 was \$27,484,483, or \$6.44 per share, after taxes and all other charges. This was an increase of \$1,540,638, or 37¢ per share, over net profit for 1954.

Gallon sales for 1955, both in the U.S. and world-wide, reached the highest level in the Company's 70-year history. This was largely the result of increased volume produced by the new bottle sizes and by Pre-Mix, which more than offset losses in a number of markets where Bottlers' prices were raised.

King and Family Size Bottles

Early in 1955, market tests of the King Size and the Family Size bottles were launched in ten Company-owned bottling plants in the East, Middle West, and Far West. Results were so encouraging that in May we decided to qualify independent Bottlers for participation in tests in other areas.

By the end of the year, 40% of our Bottlers had introduced either one or two new sizes, and by the end of 1956 we expect this number will approximate 85%.

The new bottles are also being successfully marketed in Canada, Mexico, the Philippines and several other foreign countries.

In merchandising the King and Family Size bottles, we are bearing in mind that this new line of packages was developed to suit a wide range of consumer activities. A thirsty teenager, or an adult doing hard physical labor, can make short work of a King Size. Meanwhile other members of the family will find complete satisfaction in the contents of the Standard Bottle. At mealtime or for parties, the Family Size is ready to provide just the amount desired.

The Bottlers were urged to cultivate each market, to the end that there would always be at least two bottle sizes of Coca-Cola in every consumer refrigerator — one of these being our old reliable, the Standard Package. Constant availability is just as important in homes as it is on the retail shelf. Two or three package sizes assure more availability than one.

Pre-Mix

Another important development of 1955 was the introduction of the "Pre-Mix" machine. This refrigerates and dispenses into cups the beverage Coca-Cola prepared and packaged in bulk by the local Bottler.

Pre-Mix dispensers have particular application to locations where paper cups are more suitable than bottles — and to those places where a cup drink is preferred, but where there is no water connection. These new dispensers are produced in several types: coin-control vending units for fixed locations, counter units and small carry-pack units.

The significance of this new equipment is that, together with other means of distribution, it now enables the Bottler to make Coca-Cola available in every segment of his market. Since Bottlers generally place Pre-Mix equipment where Coca-Cola has not previously been available, sales through these machines constitute plus business. At the same time, Pre-Mix distribution marks one more step in the Company's continuous pursuit of optimum availability — that is, Coca-Cola within arm's reach of everybody who wants Coca-Cola — whenever and wherever that may be.

Color pictures of the new King Size and Family Size bottles, and of representative Pre-Mix dispensers will be found in this report, pages 11 through 14.

Advertising

The character and the volume of Coca-Cola advertising over the years have been major factors in the continued growth of the Company. The public presentation of Coca-Cola has, we believe, reflected a quality and integrity which have had a beneficial effect on the whole soft drink industry. However, the need for expanded promotion of Coca-Cola, together with rising costs of such activity, have brought a marked increase in this category of expense.

At the present time, domestic advertising effort for Coca-Cola includes use of national magazines, Eddie Fisher on "Coke Time" and a portion of the Mickey Mouse Club on television.

In addition, many millions of dollars a year are invested in a cooperative marketing program with our Bottlers, using local advertising media, such as newspapers, posters, television, radio, etc. In administering this program, we work closely with the Bottlers as they develop their own advertising plans.

With the dual objective of still further improving the effectiveness of this work with the Bottlers, and also in order to coordinate and strengthen the Company's advertising and merchandising operations in relation to the new developments in our business, we have recently reorganized the Company's sales operations.

Effective March 31, 1956, McCann-Erickson, Inc., has been designated the official advertising agency for The Coca-Cola Company. For more than ten years, McCann-Erickson has handled The Coca-Cola Export Corporation account in Latin America. With offices in many cities throughout the world, and regional offices throughout the United States, this agency is in a position to serve the Company on a world-wide basis.

Fountain Sales Department

Our Fountain Department continues to expand its sales and service operations with gratifying results. The number of fountain outlets was increased in 1955 and sales reached an all-time high.

Foreign Operations

Our foreign business continues to show a healthy growth. Assuming no deterioration of general conditions abroad, our gains should continue uninterrupted for the foreseeable future. In 1955 nineteen new bottling plants were established. It is expected that we shall add others during 1956. As noted previously, our foreign business reached an all-time high in 1955.

Conclusion

The expanded development at home and abroad of the King and Family Size bottles and Pre-Mix, together with the continued vigorous promotion of the Standard Size bottle and our fountain operations, should ensure the healthy and constant growth of our business.

For the Board of Directors,

WILLIAM E. ROBINSON,
President

H. B. NICHOLSON,
Chairman, Board of Directors

CONSOLIDATED
THE COCA-COLA COMPANY AND
December

ASSETS

CURRENT:

| | |
|--|---------------|
| Cash | \$ 26,910,311 |
| Government securities—at cost: | |
| United States and Canadian | |
| (market price \$54,625,664) | 54,595,198 |
| Trade accounts receivable | |
| (less allowance of \$69,363) | 14,735,398 |
| Inventories | |
| (at lower of average cost or market) | 29,950,771 |
| | <hr/> |
| TOTAL CURRENT ASSETS | \$126,191,678 |

MISCELLANEOUS RECEIVABLES AND INVESTMENTS

8,811,777

PROPERTY, PLANT AND EQUIPMENT:

At cost:

| | |
|-------------------------------|---------------|
| Land | \$ 4,601,236 |
| Buildings | 39,193,799 |
| Machinery and equipment | 53,190,359 |
| Containers | 15,193,255 |
| | <hr/> |
| | \$112,178,649 |

Less allowance for depreciation

47,115,283 65,063,366

FORMULAE, TRADE-MARK AND GOODWILL—at cost

40,091,427

DEFERRED CHARGES

4,028,644

\$244,186,892

Notes to Financial

BALANCE SHEET
 ITS CONSOLIDATED SUBSIDIARIES
 31, 1955

LIABILITIES

CURRENT:

| | | |
|--|---------------|-----------|
| Accounts payable and accrued accounts..... | \$ 17,111,547 | |
| Notes payable by subsidiaries..... | | 133,529 |
| Accrued taxes—including taxes on income | \$ 30,394,817 | |
| Less U. S. Government securities for payment of income taxes..... | 21,279,455 | 9,115,362 |
| | | <hr/> |
| TOTAL CURRENT LIABILITIES..... | \$ 26,360,438 | |

RESERVES:

| | | |
|-------------------------------------|---------------|------------|
| For unremitted foreign profits..... | \$ 28,815,020 | |
| For employees' retirement plan..... | 555,493 | 29,370,513 |
| | | <hr/> |

| | |
|---|---------|
| MINORITY INTERESTS IN SUBSIDIARIES..... | 372,932 |
|---|---------|

CAPITAL STOCK AND SURPLUS:

Common Stock—no par value:

| | | |
|------------------|------------------|---------------|
| Authorized | 5,000,000 shares | |
| Issued | 4,280,805 shares | \$ 26,755,031 |

| | |
|-----------------------|-----------|
| Capital surplus | 1,825,112 |
|-----------------------|-----------|

| | |
|----------------------|-------------|
| Earned surplus | 161,023,406 |
|----------------------|-------------|

\$189,603,549

Less 15,027 shares of stock owned

| | | |
|--------------------------|-----------|-------------|
| by Company—at cost | 1,520,540 | 188,083,009 |
|--------------------------|-----------|-------------|

\$244,186,892

Statements appear on Page 9.

THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1955

CONSOLIDATED PROFIT AND LOSS STATEMENT

| | | |
|--|--------------|----------------------|
| GROSS PROFIT | | \$144,686,086 |
| Selling, administrative and general expenses..... | | 85,421,966 |
| | | <hr/> |
| OPERATING PROFIT | | \$ 59,264,120 |
| Other deductions | \$ 4,030,922 | |
| Less other income | 2,941,531 | 1,089,391 |
| | | <hr/> |
| PROFIT BEFORE TAXES ON INCOME..... | | \$ 58,174,729 |
| Provision for taxes on income..... | | 30,668,000 |
| | | <hr/> |
| | | \$ 27,506,729 |
| Less portion of subsidiary earnings applicable to minority interests..... | | 22,246 |
| | | <hr/> |
| NET PROFIT | | <u>\$ 27,484,483</u> |

CONSOLIDATED EARNED SURPLUS ACCOUNT

| | | |
|---|--------------|----------------------|
| Balance—December 31, 1954..... | | \$154,874,713 |
| Net profit for the year 1955..... | | 27,484,483 |
| | | <hr/> |
| | | \$182,359,196 |
| DEDUCTIONS | | |
| Dividends paid in cash: | | |
| Mar. 31, 1955—\$1.00 per share..... | \$ 4,280,805 | |
| June 30, 1955—\$1.00 per share..... | 4,280,805 | |
| Sept. 30, 1955—\$1.00 per share..... | 4,280,805 | |
| Dec. 14, 1955—\$1.00 per share plus \$1.00 per share additional..... | 8,561,610 | |
| | <hr/> | |
| | | \$21,404,025 |
| Less dividends on shares owned by Company during year..... | 68,235 | 21,335,790 |
| | <hr/> | <hr/> |
| EARNED SURPLUS—DECEMBER 31, 1955..... | | <u>\$161,023,406</u> |

Notes to Financial Statements appear on Page 9.

NOTES TO FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET:

1. *Foreign Operations.* The accounts of subsidiaries and branches operating in foreign countries, consolidated in this balance sheet, consist of: current assets, \$31,267,843 (including cash and government securities aggregating \$17,331,056); property, plant and equipment at depreciated cost, \$24,367,413; other assets, \$3,071,699; and liabilities, \$13,658,349. Fixed assets are stated at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1955. Unremitted profits of such subsidiaries and branches, consolidated herein, are included as follows: \$28,815,020 in the reserve for unremitted foreign profits and \$6,139,190 in earned surplus.

2. *Capital Stock.* The Company has reserved 225,000 shares of either or both treasury and authorized but unissued Common Stock for sale under employees' stock options. Options for up to ten years each (including one option for 25,000 shares for 5 years) were granted at various dates during 1955 to certain officers and employees of the Company and its subsidiaries to purchase 143,933 shares of Common Stock of the Company at the market price on the granting dates. At December 31, 1955, options were outstanding in respect to 25,000 shares at \$117.25 per share, 99,996 shares at \$121.1875 per share, 3,000 shares at \$137.25 per share, 15,569 shares at \$127.00 per share and 368 shares at \$124.75 per share. No portion of these options was exercisable during 1955.

CONSOLIDATED PROFIT AND LOSS STATEMENT:

3. *Depreciation.* Provision for depreciation in the amount of \$6,158,497 was charged to manufacturing and other expenses.

4. *Other Deductions.* Includes interest paid \$28,337; addition to reserve for unremitted foreign profits \$1,523,497; and addition to reserve for employees' retirement plan \$13,762, against which reserve has been charged \$285,084, the amount funded during the year.

5. *Foreign Profits Remitted.* Dividends from companies operating in foreign countries, the current profits of which are not reserved for, were \$2,646,093 less than the profits of such companies consolidated herein.

ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

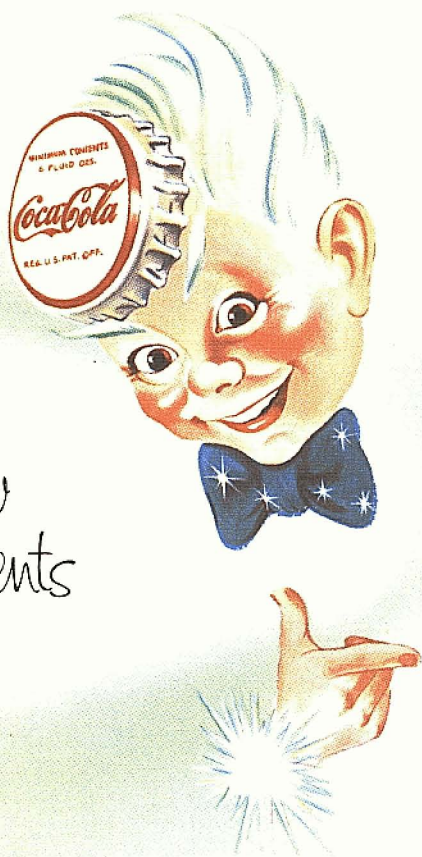
We have examined the consolidated financial statements of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1955. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated position of THE COCA-COLA COMPANY and its subsidiaries at December 31, 1955, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

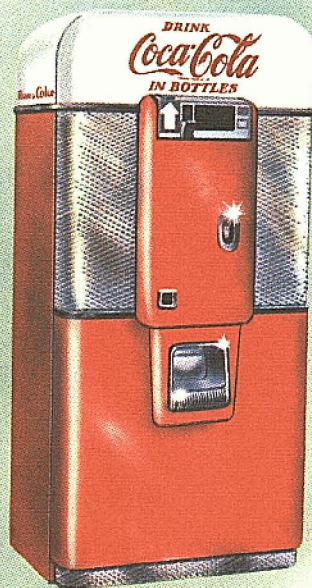
March 5, 1956

Dramatic New
Developments



New Look FOR COCA-COLA COOLERS

Bottle coolers and vending machines of all types and sizes restyled for maximum sales appeal.



80-Bottle Capacity



144-Bottle Capacity



*Pre-mix
Special Events Trailer*



Pre-mix FOR GREATER MARKET CULTIVATION

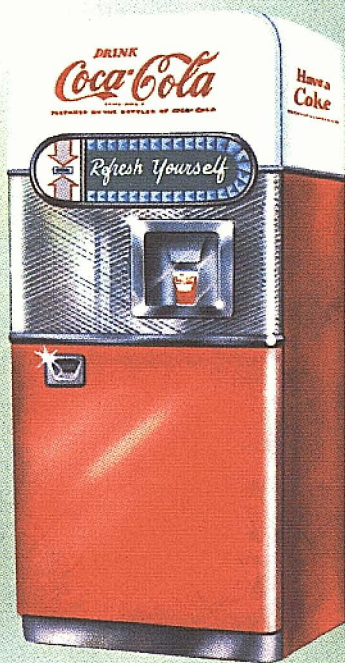
A new method of dispensing Coca-Cola which opens up new sales opportunities for Bottlers. Coke in stainless steel tanks, filled and sealed at the Coca-Cola bottling plant . . . served in distinctive paper cups.



Counter Unit



The Carry-Pack



Cup Vendor



Standard



King-12

Bottles FOR ALL OCCASIONS



King-10

Now, in addition to the familiar Standard Package . . .
the King Size, 10 ounces or 12 ounces,
for a larger home package or a King Size thirst . . .
and the 26-ounce Family Size, singly
or in cartons of two and four, for mealtime,
party, picnic and other occasions.



Family Size

